

# HOUSE BILL No. 1827

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 4-1.5-8.

**Synopsis:** Advanced manufacturing clusters. Requires the office of economic development within the Indiana economic development corporation (IEDC) to establish a program to provide grants, loans, and loan guarantees to members of consortia that encourage the growth of advance manufacturing clusters. Provides that the IEDC board must review and then approve or disapprove applications for grants, loans, and loan guarantees. Requires the office to provide certain assistance. Appropriates \$1,000,000 to the IEDC from the state general fund for these purposes.

**Effective:** July 1, 2005.

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**Austin**

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January 25, 2005, read first time and referred to Committee on Commerce, Economic Development and Small Business.

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Introduced

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

## HOUSE BILL No. 1827

A BILL FOR AN ACT to amend the Indiana Code concerning economic development and to make an appropriation.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 4-1.5-8 IS ADDED TO THE INDIANA CODE AS  
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2005]:

4 **Chapter 8. Advanced Manufacturing Clusters**

5 **Sec. 1. As used in this chapter, "advanced manufacturing**  
6 **business" means a business that conducts advanced manufacturing**  
7 **activities, including advanced manufacturing of any of the**  
8 **following:**

- 9 (1) **Automotive parts and equipment.**  
10 (2) **Electronic parts and equipment.**  
11 (3) **Aerospace technology.**  
12 (4) **Robotics.**  
13 (5) **Engineering design technology.**  
14 (6) **Biomedical products.**  
15 (7) **Pharmaceuticals.**  
16 (8) **Information technology products.**  
17 (9) **Laboratory equipment and research and development**



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equipment.

(10) Computers.

(11) Telecommunications equipment.

Sec. 2. As used in this chapter, "economic development cluster" means a geographically bounded concentration of similar, related, or complementary businesses that:

(1) have active and ongoing channels for business transactions, communications, and dialogue;

(2) share specialized infrastructure, labor markets, and services; and

(3) confront common opportunities and threats.

Sec. 3. As used in this chapter, "eligible consortium" means a formal or informal network, collection, or combination of advanced manufacturing businesses, other businesses, nonprofit entities, and institutions of higher education, including community colleges.

Sec. 4. As used in this chapter, "fund" refers to the business assistance fund established by section 5 of this chapter.

Sec. 5. (a) The business assistance fund is established to provide the necessary money for grants, loans, and loan guarantees to a member of an eligible consortium under this chapter.

(b) The fund shall be administered by the office.

(c) The fund consists of:

(1) amounts appropriated by the general assembly to carry out this chapter;

(2) the repayment proceeds (including interest) of loans made from the fund; and

(3) donations, grants, and money received from any other source.

(d) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. The expenses of administering the fund shall be paid from money in the fund. Interest that accrues from these investments shall be deposited in the fund.

(e) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

Sec. 6. The office shall establish a program to encourage the growth of advanced manufacturing economic development clusters in Indiana.

Sec. 7. The office shall encourage the growth of advanced manufacturing economic development clusters by providing

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grants, loans, and loan guarantees from the fund to members of an eligible consortium under this chapter.

**Sec. 8. The office shall do the following:**

(1) Establish and implement the policies and procedures to be used by the office in the administration of the program established under section 6 of this chapter.

(2) Establish criteria for awarding grants, loans, and loan guarantees to a member of an eligible consortium. The criteria must encourage the growth of advanced manufacturing economic development clusters.

(3) Require that any grants, loans, or loan guarantees be used and repaid in the manner that the office prescribes.

(4) Establish the terms of grants, loans, and loan guarantees.

(5) Review and make recommendations to the board concerning applications for grants, loans and loan guarantees.

(6) Provide the staff and other resources necessary to implement this chapter.

(7) Publicize the availability of assistance under this chapter.

(8) Submit a report concerning the fund to the governor and the general assembly before November 1 of each year. The report to the general assembly must be in an electronic format under IC 5-14-6.

**Sec. 9. The board shall do the following:**

(1) Review and:

(A) approve; or

(B) disapprove;

applications for grants, loans, and loan guarantees.

(2) Award the grants, loans, and loan guarantees approved by the board.

(3) Adopt policies concerning the maximum amount of a grant, loan, or loan guarantee that may be awarded.

**Sec. 10. (a) An application for a grant, loan, or loan guarantee must be made on an application form prescribed by the office.**

**(b) An application for a grant, loan, or loan guarantee must include the following information:**

(1) The manner in which the requested grant, loan, or loan guarantee will encourage the growth of advanced manufacturing economic development clusters.

(2) The advanced manufacturing activity that will be funded, encouraged, or facilitated by the grant, loan, or loan guarantee, including:

(A) information concerning the applicant's technical

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research or business plans related to advanced manufacturing;

(B) a detailed financial analysis of the applicant's activities;

(C) a projection of the jobs to be created through the use of the grant, loan, or loan guarantee and the resulting growth of the advanced manufacturing economic development clusters; and

(D) a statement of the economic development potential of the advanced manufacturing activity and the advanced manufacturing economic development clusters.

(3) The total amount of the grant, loan, or loan guarantee requested.

(4) If matching funds are required for the award of the grant, loan, or loan guarantee, the source of the matching funds.

(5) A description of the members of the eligible consortium in which the applicant is a member or participates.

(6) Any other information requested by the office.

Sec. 11. The office may enter into contracts necessary to carry out this chapter, including contracts for the servicing of loans from the fund.

Sec. 12. The office shall provide the following:

(1) Assistance to an applicant that wishes to apply for or has received a grant, loan, or loan guarantee.

(2) Advisory and consultative training, information, and services to enhance the ability of a business, nonprofit, or institution of higher education to form or participate in an eligible consortium that will encourage the growth of advanced manufacturing economic development clusters.

SECTION 2. [EFFECTIVE JULY 1, 2005] (a) There is appropriated to the Indiana economic development corporation one million dollars (\$1,000,000) from the state general fund for its use in carrying out the purposes of IC 4-1.5-8, as added by this act, beginning July 1, 2005, and ending June 30, 2007.

(b) This SECTION expires June 30, 2007.

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